

NEWS RELEASE



***OFFICE OF THE UNITED STATES ATTORNEY
SOUTHERN DISTRICT OF CALIFORNIA
San Diego, California***

***United States Attorney
Carol C. Lam***

For Further Information, Contact: Assistant U. S. Attorney George Aguilar (619) 557-7173

For Immediate Release

NEWS RELEASE SUMMARY - August 18, 2006

United States Attorney Carol C. Lam announced that United States District Court Judge Dana M. Sabraw today sentenced Samer S. Gadalla, owner of Computer Depot Warehouse in San Diego, California, to serve 12 months and a day in custody, and ordered him to pay \$907,788 to the Internal Revenue Service for taxes due on nearly \$2.5 million in unreported income he received from 1998 to 2002. Gadalla, along with his brother, Sherif Gadalla, a former co-owner of Computer Depot, previously pled guilty to one count of filing a false tax return for 2002.

According to the plea agreement and the criminal information filed in the case, from 1998 to 2002, Samer Gadalla was a partner and operator of Computer Depot Warehouse, located at 9420 Clairemont Mesa Boulevard. During this period, the defendants received business revenue in cash, which they spent for their personal benefit or concealed it in various locations in their residences. Samer Gadalla did not report \$2,469,225 in income he received from the business operation from 1998 to 2002, and on the tax returns he actually filed during that period, reported only \$103,745 in income, thereby paying only \$37,895 in taxes.

Samer Gadalla was sentenced on the total amount of tax loss caused by his concealment of income for the years 1998 through 2002. Gadalla was sentenced to serve one year supervised release, and ordered to pay a \$100 special assessment. At the sentencing today, Samer Gadalla handed two checks to representatives of the IRS for the full amount of the unpaid taxes, which totaled \$907,788. United States Attorney Lam said, "Samer Gadalla obviously believed that he could hide his income and cheat on his taxes. He was wrong on both counts."

"When individuals deliberately hide their income and fail to report their earnings to the IRS, they risk prosecution" said Kenneth Hines, Special Agent in Charge, Criminal Investigation. "IRS Special Agents have the unique expertise of uncovering concealed income through their financial investigative skills and will continue to use these skills in criminal investigations."

DEFENDANT

Samer S. Gadalla - San Diego, CA

Age: 36

SUMMARY OF CHARGES

Filing False Income Tax Returns, in violation of Title 26, U.S.C. § 7206(1)

Maximum penalty is three years in prison and fine not to exceed \$100,000

AGENCY

Internal Revenue Service - Criminal Investigation Division